

ECONOMIC OUTLOOK FOR THE POULTRY INDUSTRY

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February 1990

FACTORS AFFECTING OUTLOOK

DEMAND

Slower Economic Growth
Dietary Preference
Export Growth

SUPPLY

Profits Stimulated Production
Stocks Growing

COSTS

Lower Feed Prices

PRICES

Lower Across the Board

OHIO'S CHANGING POULTRY INDUSTRY

3-Year Averages

	'79-'81	'84-'86	'88-'90
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% of Poultry Sales			
Eggs	74	77	74
Turkeys	15	17	18
Broilers	11	6	8
Production			
Eggs (billion)	2.3	3.6	4.4
Turkeys (million)	2.4	2.9	4.1
Broilers (million)	15.5	9.3	13.0
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1990 estimated			

CHANGING POULTRY PRODUCTION OHIO VS. U.S.

	Percent Change From		
	'79-'81		'84-'86
	'84-'86	'88-'90	'88-'90
Egg Production			
U.S.	-2	-1	0
Ohio	57	91	22
Turkey Production			
U.S.	15	56	36
Ohio	21	71	41
Broiler Production			
U.S.	11	38	24
Ohio	-40	-16	40

1990 estimated

EGG OUTLOOK

Production

- Up 2%
- Mostly in 2nd half
- Continue into '91

Prices

- Continued strength
- Highest prices 1st half
- 75 cents by year-end

Net Returns

- Record 15 cents/dozen in '89
- 29 cents last quarter
- Continue strong 1st half of '90

Product Use

- ✓ Table continues down
- ✓ Processing continues up
- ✓ Processing = 20% table

TURKEY OUTLOOK

Production

- Up 5%
- 5th Consecutive expansion
- Expansion to end mid-year

Stocks

- Historically high
- 2-year decline
- Decline to continue

Prices

- Further weakening
- 1st quarter lowest
- Annual average hens 60 cents

Net Returns

- ✓ Negative (5 to 10 cents)
- ✓ Discourage expansion

BROILER OUTLOOK

Production

- Up 7%
- Lower 1 of past 35 years
- 18.5 billion pounds 1990

Stocks

- Building for 3 years
- 15-year high
- Problems on horizon

Prices

- Record 2nd quarter '89
- Further weakening '90
- Annual average - low 50's

Net Returns

- ✓ Sustained profit several years
- ✓ 1989 2nd highest on record
- ✓ Negative by year-end

Exports

- * Record high in '89
- * Exceed 1 billion pounds in '90
- * 6% of production